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AZ CORP COMMISSION
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June 5, 2012

Arizona Corporation Commission
DOCKETED

JUN 05 2012

Lori Morrison
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007



RE: Revisions to Level 3 Communications, LLC A.C.C. Tariff No.3
1-03654A-12-0012

Dear Ms. Morrison:

Level 3 Communications, LLC ("Level 3"), submits the enclosed replacement tariff pages to its Arizona A.C.C. Tariff No. 3. These tariff pages are being filed to replace pages that were filed January 12, 2012.

In specific the replacement pages include the following:

Original Page 19.1
Original Page 19.2
Original Page 19.3

Should you have any questions concerning this filing, please do not hesitate to contact me.

Sincerely,

Karen M. Hyde
Legal Department

SWITCHED ACCESS SERVICES

SECTION 3 – OBLIGATIONS OF THE CUSTOMER (CONT'D)**3.4.6 Identification and Rating of VoIP-PSTN Traffic**

This section governs the identification of VoIP-PSTN Traffic that is required to be compensated at interstate access rates (unless the parties have agreed otherwise) by the F.C.C. in its Report and Order in WC Dockets Nos. 10-90, etc., F.C.C. Release No. 11-161 (November 18, 2011) (F.C.C. Order). Specifically, this section establishes the method of separating VoIP-PSTN Traffic from the Customer's traditional intrastate access traffic, so that VoIP-PSTN Traffic can be billed in accordance with the F.C.C. Order. VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Company's applicable tariffed interstate switched access rates as set forth in the Company's Tariff F.C.C. No. 4.

Calculation and Application of Percent-VoIP- Usage Factors

The Company will determine the number of VoIP-PSTN Traffic minutes of use (MOU) to which interstate rates will be applied by applying a Percent VoIP Usage (PVU) factor to the total intrastate access MOU exchanged between a Company End User and the Customer. The PVU will be derived and applied as follows:

- a. The Customer will calculate and furnish to the Company a factor (PVU-A) representing the whole number percentage of the total intrastate and interstate access MOU that the Customer exchanges with the Company in the State that (i) is sent to the Company that originated in IP format or (ii) is received from the Company and terminated in IP format.
- b. The Company will calculate a factor (PVU-B) representing the whole number percentage of the Company's total intrastate and interstate access MOU in the State that originates or terminates in IP format.
- c. The Company will use the PVU-A and PVU-B factors to calculate a PVU factor that represents the percentage of total intrastate and interstate access MOU exchanged between a Company End User and the Customer that is originated or terminated in IP format, whether at the Company's end, at the customer's end or at both ends. The PVU will be the sum of (i) the PVU-A factor and (ii) the PVU-B factor times (1 minus the PVU-A factor). The Company will apply the PVU factor to the total intrastate access MOU exchanged with the Customer to determine the number of VoIP-PSTN Traffic MOUs.

Example 1: The PVU-B is 10% and the PVU-A is 40%. The PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the Customer's intrastate access MOU at its applicable interstate switched access rates.

Example 2: The PVU-B is 10% and the PVU-A is 0%. The PVU factor is equal to $0\% + (100\% \times 10\%) = 10\%$. The Company will bill 10% of the Customer's intrastate access MOU at the Company's applicable interstate switched access rates.

Example 3: The PVU-A is 100%. No matter what the PVU-B factor is, the PVU is 100%. The Company will bill 100% of the Customer's intrastate access MOU at the Company's applicable interstate switched access rates.

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Level 3 Communications, LLC
1025 Eldorado Boulevard

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SWITCHED ACCESS SERVICES

SECTION 3 – OBLIGATIONS OF THE CUSTOMER (CONT'D)

3.4.6 Identification and Rating of VoIP-PSTN Traffic (con't)

- d. The Customer shall not modify its reported PIU factor to account for VoIP-PSTN Traffic.
- e. Both the PVU-A and the PVU-B factors shall be based on information such as the number of each party's retail VoIP subscriptions in the state (e.g. as reported on F.C.C. Form 477), traffic studies, actual call detail or other relevant and verifiable information which will be provided to the Company upon request.
- f. The Customer shall retain the call detail, work papers, and information used to develop the PVU-A factor for a minimum of one year.
- g. The Company shall use a default PVU factor until such time as Customer supplies a PVU-A factor. For this purpose, Company will utilize a PVU equal to the percentage of VoIP subscribers in the state based on the Local Competition Report, as released periodically and/or such other reports as the Company deems appropriate and reasonable. Under the Local Competition Report methodology, the PVU will be the total number of incumbent LEC and non-incumbent LEC VoIP subscriptions in a state divided by the sum of those reported VoIP subscriptions plus incumbent LEC and non-incumbent LEC switched access lines.

3.4.7 The preceding section 3.4.6 will be applied to the billing of switched access charges to a Customer that is a local exchange carrier only to the extent that the Customer has also implemented billing of interstate access charges for VoIP-PSTN Traffic in accordance with FCC orders, rules and regulations.

3.4.8 Initial Implementation of PVU Factors

- a. If the PVU factor cannot be implemented in the Company's billing systems by December 29, 2011, once the factor can be implemented the Company will adjust the Customer's bills to reflect the applicable PVU factor retroactively to December 29, 2011. If the Company receives a PVU-A from the Customer prior to April 15, 2012, it will apply that PVU-A pursuant to the formula contained herein retroactive to December 29, 2011. If the Company does not receive a PVU-A prior to April 15, 2012, it will apply the default PVU retroactive to December 29, 2011 and will apply the PVU-A beginning on the next billing period following the Company's receipt of the PVU-A.
- b. The Company may choose to provide credits based on the reported PVU factors on a quarterly basis until such time as the billing system modifications can be implemented.

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SWITCHED ACCESS SERVICES

SECTION 3 – OBLIGATIONS OF THE CUSTOMER (CONT'D)

3.4.9 PVU Factor Update

The Customer may update the PVU-A factor quarterly using the method set forth herein. If the Customer chooses to submit such updates, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-A factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The revised PVU-A factor will serve as the basis for future billing and will be effective on the bill date of each such month and shall serve as the basis for subsequent monthly billing until superseded by new PVU-A factors.

3.4.10. PVU Factor Verification

Not more than twice in any year, the Company may ask the Customer to verify the PVU-A factor furnished to the Company, and the Customer may ask the Company to verify the PVU-B factor, and the respective calculations thereof. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the applicable PVU-A and PVU-B factors. Notwithstanding the prior sentence, if the Customer updates its PVU-A more than twice in a year, the Company may seek to verify the PVU-A factor each time it is updated. In the event that the Customer fails to provide adequate records to enable the Company or an independent auditor to verify the Customer's PVU-A factor, the Company will continue using the most recent undisputed PVU-A factor reported by the Customer or, if no PVU-A has been provided, the default PVU.

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